

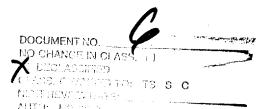
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NSC BRIEFING

6 September 1960

LAOS

- I. Crisis in Laos has not ended despite nominal return to constitutional government with investiture of patchwork Souvanna Phouma cabinet on 2 September.
- II. General Phoumi, after ostensibly settling differences with Souvanna at Luang Prabang conference where he accepted Interior Ministry post, now seems to be having second thoughts.
 - A. He apparently remains convinced Souvanna's policies are tantamount to turning Laos over to Communists, and claims he agreed to a settlement with Souvanna only to buy time.
 - B. He is back at his Savannakhet headquarters mulling over vague plans for resuming counter-coup efforts or setting up a separate state in southern Laos, possibly in federation with Thailand.
 - 1. There is historical precedent in the existence until 1946 of a kingdom in southern Laos.
 - C. Phoumi also fears for personal safety in Vientiane so long as Kong Le is in position of strength.
 - D. Phoumi's present attitude is mixture of indecision, injured pride, and extreme bitterness over what he considers abandonment by the US.
- III. Souvanna Phouma, meanwhile, is seeking a quick settlement with the Pathet Lao, and has called for early negotiations in Vientiane.



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 - A. Pathet response indicates they will be hard bargainers. Their "minimum conditions" for such talks include:
 - 1. Removal of the "Phoumi clique" from the government.
 - 2. Cessation of fighting.
 - 3. Diplomatic recognition by Laos of bloc countries.
 - 4. Acceptance bloc economic aid.
 - B. Souvanna seems already more or less committed to these conditions with exception of Phoumi's removal.
 - C. Souvanna told US ambassador he wants Phoumi on his team, but is prepared dismiss him from government as rebel if he refuses come Vientiane.
- IV. Picture in Laos is further complicated by shadow of Kong Le.
 - A. Kong Le's forces, despite nominal capitulation to central authority, apparently retain control Vientiane area.
 - B. Kong Le is sympathetic to Pathet Lao viewpoint and hostile to Phoumi's anti-Communist policies.
 - C. As price for his continued support of Souvanna government, Kong Le may join Pathet demand for Phoumi's removal, despite his present reluctant acceptance general's inclusion in cabinet.
- V. Outlook continues bleak.
 - A. If Phoumi grudgingly returns government fold, Pathet Lao may react militantly.
 - B. If he does not return, important moderating influence on Souvanna's policies toward the Communists will be lost.